

CHAPTER NO. 553

HOUSE BILL NO. 1268

By Representative Wood

Substituted for: Senate Bill No. 1595

By Senator Carter

AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 13, Part 3, relative to real estate brokers and agents.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 62, Chapter 13, Part 3, is amended by adding a new section thereto, as follows:

Section 62-13-323.

(a) The principal broker of a real estate firm that does not engage in activities that require the acceptance of any fund belonging to others may receive from the Tennessee real estate commission a waiver from the provisions of § 62-13-321.

(b) Upon receipt of a waiver by the Tennessee real estate commission pursuant to subsection (a), a principal broker may close the real estate firm's escrow account.

(c) The principal broker of a real estate firm authorized pursuant to this act to operate without an escrow account may accept funds belonging to others subject to the following:

(1) The principal broker shall open an escrow account within one (1) business day of accepting such deposit, and deposit such funds into the newly opened escrow account on the same day; and

(2) The principal broker shall notify the Tennessee real estate commission within one (1) business day after opening a new escrow account and shall provide the following information:

(A) The name and address of the bank where the new escrow account was opened;

(B) The name of the new escrow account; and

(C) The account identification number of the new escrow account.

(d) A principal broker who opens an escrow account pursuant to subsection (c) shall acknowledge responsibility to operate under all the requirements of § 62-13-321.

(e) No principal broker may obtain a waiver pursuant to subsection (a) for the same real estate firm more than once each license renewal period.


SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: March 27, 2002


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 3rd day of April 2002


DON SUNDQUIST, GOVERNOR